

**AGENDA**  
**FREMONT REDEVELOPMENT AGENCY REGULAR MEETING**  
**JUNE 14, 2011**  
**7:00 P.M.**

**1. CALL TO ORDER**

**2. CONSENT CALENDAR**

*Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)*

2.1 Approval of Minutes – for the Regular Meeting of June 7, 2011

**3. PUBLIC COMMUNICATIONS**

3.1 Oral and Written Communications

**4. PUBLIC HEARINGS**

**4.1 FY 2011/12 REDEVELOPMENT AGENCY BUDGET SECOND PUBLIC HEARING AND ADOPTION**

Second Public Hearing and Consideration of Adoption of the FY 2011/12 Redevelopment Agency Budget and Approval of Project Appropriations Plan and Work Program for Redevelopment Projects

Contact Person:

Name:	Irene de Jong	Elisa Tierney
Title:	Redevelopment Business Manager	Redevelopment Director
Dept.:	Housing and Redevelopment	Housing and Redevelopment
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RECOMMENDATIONS:

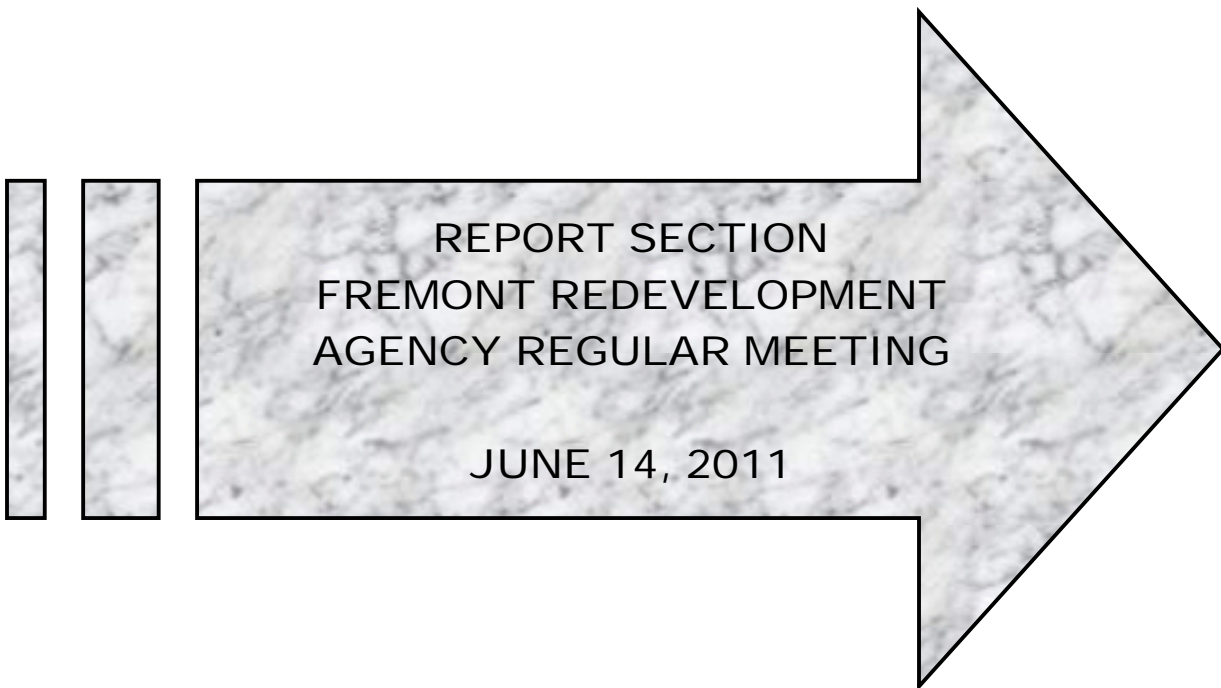
1. Hold a public hearing.
2. Adopt a resolution approving the City of Fremont Redevelopment agency's annual operating budget for FY 2011/12, approving appropriations as shown in the Project Appropriations Plan, making necessary findings regarding the Project Appropriations

Plan and administrative expenses for affordable housing activities, and approving the Agency's Work Program.

**5. OTHER BUSINESS**

5.1 Report Out from Closed Session of Any Final Action

**6. ADJOURNMENT**



REPORT SECTION  
FREMONT REDEVELOPMENT  
AGENCY REGULAR MEETING

JUNE 14, 2011



#### 4.1 FY 2011/12 REDEVELOPMENT AGENCY BUDGET SECOND PUBLIC HEARING AND ADOPTION

##### Second Public Hearing and Consideration of Adoption of the FY 2011/12 Redevelopment Agency Budget and Approval of Project Appropriations Plan and Work Program for Redevelopment Projects

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**Executive Summary:** Pursuant to California Redevelopment Law, the Redevelopment Agency must formally adopt an annual budget. The Redevelopment Agency's budget is incorporated as a component of the City's budget document, for which a second public hearing is scheduled on tonight's City Council agenda. Staff recommends the Agency Board hold a public hearing on the Agency's FY 2011/12 annual budget, as required by State law, and adopt a resolution approving (1) the annual operating budget for FY 2011/12; (2) the Project Appropriations Plan (for Redevelopment –funded projects in a form consistent with the City's Capital Improvement Program); (3) findings that the planning and administrative expenditures funded with Affordable Housing Fund monies are necessary for the Redevelopment Agency's low and moderate income housing work plan; and (4) the Agency Work Program. The first public hearing was held by the Agency Board on June 7, 2011.

**BACKGROUND:** California Redevelopment Law requires each redevelopment agency to prepare and adopt an annual budget. As in past years, the Redevelopment Agency's proposed budget resolution will adopt the City's budget policies for Redevelopment Agency use to the extent applicable and otherwise allowable by law. The Redevelopment Agency's budget is included for informational purposes in the City's operating budget document and the City's Capital Improvement Program. This is more convenient than maintaining a separate document because the Redevelopment Agency's activities share a close relationship with those of the City.

The Redevelopment Agency FY 2011/12 budget was developed under the current guidelines of the California Redevelopment Law. However, on January 10, 2011, the Governor released his 2011/12 budget proposal, which included, as a major provision, elimination or "disestablishment" of redevelopment agencies throughout the State by July 1, 2011. While the Governor's proposal to "disestablish" redevelopment agencies has not yet received the necessary legislative support, it remains available for consideration by the Legislature at any time. In response to the Governor's proposal, a number of compromise alternatives have been introduced. These proposals, Senate Bills 286 and 450, aim to preserve redevelopment statewide while providing significant reforms for both non-housing and affordable housing aspects of the Community Redevelopment Law. In the event that the proposed legislation to "disestablish" or reform redevelopment agencies becomes effective, staff will present a revised budget for Agency Board review and consideration.

**DISCUSSION/ANALYSIS:**

**Operating Budget:** The operating budget (Exhibit 1) reflects revenues and expenditures for the Redevelopment Agency for FY 2011/12. Total property tax increment revenues are budgeted for FY 2011/12 at \$34.5 million. Pursuant to State law, 20% of the total property tax increment (approximately \$6.9 million) will be set aside in the Affordable Housing Fund.

The total amount of proposed new project appropriations in FY 2011/12 is \$148.3 million for both housing and non-housing purposes. A significant portion of the new appropriations, \$134.2 million, will be devoted to the Irvington BART station regional transportation project. This project will be funded with the proceeds from the Agency's Tax Allocation Bonds, which the Agency is expecting to issue by the end of 2011. The Agency does not anticipate adding any new staffing for implementing its affordable housing programs and non-housing activities.

**Project Work Program:** The summary appropriations for redevelopment and affordable housing for FY 2011/12, as detailed in the enclosure, include funding requests for the Redevelopment Agency's work program. The Project Work Program is not a complete list of all previously funded Agency projects, and some previously funded activities, such as Phase 1B of the I-880/Mission Boulevard Interchange, may still be underway. Project appropriations remain in effect for the duration of the project.

**Non-Housing:** This year's Project Work Program includes \$142.8 million of new, non-housing project appropriations. The Agency will contribute a major portion of these new appropriations, \$134.2 million, to the Irvington BART station project, a significant regional transportation effort. The remaining amount of new appropriations, approximately \$8.6 million, will be invested in various infrastructure improvements and revitalization efforts in the historic districts of Centerville, Irvington, and Niles. In response to the recent economic recession and the delayed economic recovery, the Agency will continue focusing its non-housing investments on supporting enhanced business performance in the historic districts and on public infrastructure improvements across the redevelopment project areas.

**Housing:** The Housing portion of the Project Work Program includes expenditures for affordable housing projects and programs.

<b>Project Name</b>	<b>FY 2010/11 Appropriations</b>	<b>Estimated Actual 6/30/2011</b>	<b>Proposed FY 2011/12 Appropriations</b>
	(dollars in thousands)		
Apartment Acquisition and Rehabilitation	\$240	\$200	\$240
First Time Home Buyer Program	1,200	1,200	700
Neighborhood Home Improvement Program	480	480	480
Preservation of Affordable Housing	120	120	0
Implementation of Inclusionary Housing Ordinance	240	240	0
Rental Subsidy Assistance Programs	250	250	100
Opportunity Fund/Contingency	1,500	1,500	4,000
<b>TOTAL</b>	<b>\$4,030</b>	<b>\$3,990</b>	<b>\$5,520</b>

This year's Project Work Program includes approximately \$5.5 million of new appropriations for housing. Of this amount, approximately \$1.5 million will be committed to various ongoing programs, including the First Time Homebuyer Program (with a reduced FY 2011/12 appropriation consistent with the Agency Board direction of ultimately achieving a 90%/10% funding allocation between rental and ownership programs), the Neighborhood Home Improvement Program, the Apartment Acquisition and Rehabilitation Program, as well as efforts to preserve existing affordable housing (utilizing existing appropriations, since there will be no housing developments with affordability restrictions expiring next year) and continued efforts to provide one-time emergency rental subsidy assistance to elderly and people with disabilities. The remaining \$4 million will be set aside for creating new affordable housing opportunities and for funding unanticipated contingencies.

**Redevelopment Agency Project Highlights:** The Agency's established order of funding priorities is debt service, affordable housing, completion of regional transportation projects, and strategic investments in the historic districts. The proposed Project Work Program was developed in alignment with the Agency's adopted Five-year Implementation Plan for the period of July 1, 2008 - June 30, 2013. The Five-year Implementation Plan, which was amended and restated in March 2010, calls for investments in programs that attract new businesses and support performance of existing businesses in the project areas, enhance the appearance and function of private properties in project areas, invest in public infrastructure, and eliminate blight. A brief summary of the Work Program highlights follows.

**Regional Transportation:** The Agency is requesting \$134.2 million of new appropriations for the preliminary engineering, property acquisition, design and construction of the new Irvington BART

station. Once completed, this project will support both the revitalization of the commercial areas in the Irvington district as well as foster development of transit-oriented affordable housing projects.

<b>Project Name</b>	<b>FY 2010/11 Appropriations</b>	<b>Estimated Actual 6/30/2011</b>	<b>Proposed FY 2011/12 Appropriations</b>
	(dollars in thousands)		
Irvington BART	\$0	\$0	\$134,200
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$134,200</b>

***Strategic Investments in the Historic Districts***

**Centerville:** The primary focus in the Centerville Area in recent years has been on establishing and implementing a framework plan for future development in the commercial core of Centerville (the area along Fremont Boulevard from Thornton to Central). The Centerville Framework Plan identifies future development including streetscape and other public improvements, possibilities for shared and public parking, pedestrian circulation and urban design. A key component of the Framework Plan is the implementation of Fremont Boulevard reconfiguration and streetscape improvements to make the street safer and more accessible for all modes of transportation.

Another integral project in Centerville is the development of the six-acre Centerville Unified Site through a public/private partnership focused on creating a mix of retail storefronts and residential units with architectural design consistent with the character of Centerville. The Agency has appropriated nearly \$16.9 million to assemble, remediate, and fund public improvements associated with the site. The Agency is in contract with a development team and, over the course of FY 2011/12, will negotiate a disposition and development agreement (DDA) with the developer, recommend a development plan to the Agency Board, and, if approved by the Agency Board, commence the entitlement process for the new development. Any additional appropriation for project funding will occur at the time of DDA approval.

<b>Project Name</b>	<b>FY 2010/11 Appropriations</b>	<b>Estimated Actual 6/30/2011</b>	<b>Adopted FY 2011/12 Appropriations</b>
	(dollars in thousands)		
Fremont Boulevard Improvements	\$0	\$0	\$1,250
Baine/Dusterberry Pedestrian Improvements	0	0	600
Quiet Zones	0	0	1,500
Re-Use of Dusterberry/Peralta Site	0	0	125
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,475</b>



New appropriation requests for the Centerville Area total \$3,475,000 and include a new appropriation of \$1.25 million for the initial stages of design for traffic reconfiguration, pedestrian and bicycle improvements to the portion of Fremont Boulevard between Central Avenue and Thornton Boulevard, \$600,000 for the pedestrian improvements to the intersection of Baine and Dusterberry; \$1.5 million for the quiet zone improvements to three railroad crossings (at Fremont, Maple and Dusterberry) in order to mitigate sound pollution caused by train operations, and \$125,000 in pre-development funding to determine the feasibility of potential new community facilities, focused on teens/youth at the Dusterberry/Peralta Boulevard site.

**Irvington:** In addition to the proposed funding for the Irvington BART Station, new appropriations in the Irvington Area for FY 2011/12 total \$1.7 million. A significant portion of this funding will be used for potential property acquisition, and implementation of the Irvington Concept Plan (such as initiating a work plan for Main Street improvements, which may include recommendations for streetscape design and land use regulation). A new appropriation of \$200,000 for the Grimmer Greenbelt Gateway project will fund detailed design of improvements to create a meandering landscaped pedestrian and bicycle path from Fremont Boulevard across Paseo Padre Parkway and into Central Park.

<b>Project Name</b>	<b>FY 2010/11 Appropriations</b>	<b>Estimated Actual 6/30/2011</b>	<b>Proposed FY 2011/12 Appropriations</b>
	(dollars in thousands)		
Irvington Concept Plan Implementation	\$0	\$0	\$500
Property Acquisition	0	0	1,000
Greenbelt Gateway along Grimmer Boulevard	250	250	200
<b>TOTAL</b>	<b>\$250</b>	<b>\$250</b>	<b>\$1,700</b>

**Niles:** The Agency's activities in Niles will continue focusing on the infrastructure improvements and economic revitalization efforts in the district. New appropriation requests for FY 2011/12 total \$2.2 million and will provide funding for a number of new initiatives and for projects currently underway. An allocation of \$750,000 will fund the design and initial construction activities for the Sullivan Underpass improvements, to enhance the safety of pedestrians crossing the Union Pacific right-of-way from the publicly owned County property to the Niles commercial district. An appropriation of \$600,000 will fund Quiet Zones for grade crossing improvements at the Nursery Avenue and Union Pacific railway crossing, and a \$400,000 allocation will allow the Agency to move forward with planning and design of physical improvements to the Iron Horse Lane, a historical alley serving the Niles commercial district. A new appropriation of \$250,000 will fund the ongoing Commercial Revitalization/Transit Enhancement program and an additional \$200,000 will provide necessary resources for the continuation of the Façade/Commercial Rehabilitation program efforts aimed at revitalizing the district's commercial core.

<b>Project Name</b>	<b>FY 2010/11 Appropriations</b>	<b>Estimated Actual 6/30/2011</b>	<b>Proposed FY 2011/12 Appropriations</b>
	(dollars in thousands)		
Niles Alley (Iron Horse Lane) Improvements	\$0	\$0	\$400
Quiet Zones	0	0	600
Sullivan Underpass Pedestrian Safety Improvements	0	0	750
Niles Commercial Revitalization and Transit Enhancement Program	100	100	250
Façade/Commercial Rehabilitation Program	0	0	200
<b>TOTAL</b>	<b>\$100</b>	<b>\$100</b>	<b>\$2,200</b>

**All Redevelopment Area Historic Districts:** A new appropriation of \$1,225,000 for FY 2011/12 is allocated for a number of infrastructure improvement efforts across all historic districts. The Agency's contribution of \$300,000 will provide additional resources for the focused streetscape and landscaping improvements along various sections of Fremont Boulevard, which run through the central commercial districts of Irvington and Centerville. An appropriation of \$500,000 will fund design, right-of-way and initial construction activities for streetscape and signage enhancements at various locations throughout the districts. Additionally, a \$250,000 appropriation will provide funding for facilitating utility undergrounding at main thoroughfare locations, and a new allocation of \$175,000 will fund hazardous materials clean-up of contaminated sites.

<b>Project Name</b>	<b>FY 2010/11 Appropriations</b>	<b>Estimated Actual 6/30/2011</b>	<b>Proposed FY 2011/12 Appropriations</b>
	(dollars in thousands)		
Fremont Blvd Streetscape Improvements	\$0	\$0	\$300
Signage and Streetscape Improvements	0	0	500
Utility Undergrounding	0	0	250
Hazardous Materials Clean-up	0	0	175
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,225</b>

**FISCAL IMPACT:** The Project Appropriations Plan serves much the same purpose for the Redevelopment Agency that the Capital Improvement Program (CIP) serves for the City. It is a method of authorizing appropriations for specific projects, which remain in effect for the duration of the projects. The Project Appropriations Plan only includes projects with new appropriations requests and does not represent a complete list of all Redevelopment Agency projects. The Project Appropriations Plan for FY 2011/12, described in some detail above, is summarized below:

DESCRIPTION	PROPOSED FY 2011/12 APPROPRIATIONS (\$ in thousands)	
Non-Housing:-		
Regional Transportation		\$134,200
Historic Districts:		
Centerville	\$3,475	
Irvington	1,700	
Niles	2,200	
All Historic Districts	<u>1,225</u>	<u>8,600</u>
Subtotal – Non-Housing		142,800
Housing		<u>5,520</u>
TOTAL		<u>\$148,320</u>

**Findings Regarding the Project Appropriations Plan:** The Agency finds, in accordance with Section 33445 of the Redevelopment Law, the following:

- (1) Such acquisition of the land or the installation or construction (collectively, “Development”) of the Public Improvements is provided for in the Redevelopment Plans and the Amended Plan;
- (2) Such Development of the Public Improvements is of benefit to and benefits the Merged Project Area by helping to eliminate blight within the Merged Project Area or by providing and directly assisting in the provision of housing for low- or moderate- income persons;
- (3) No other reasonable means of financing the Development of the Public Improvements are available to the community, including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code); and
- (4) Such payment of funds for the Development of the Public Improvements is consistent with the Implementation Plan and the Amended Implementation Plan adopted pursuant to Sections 33352(c), 33451.5(c)(7) and 33490 of the Redevelopment Law.

Pursuant to Section 2(p) of the Ordinance No. 5-2010 dated March 16, 2010, which was adopted in connection with the Redevelopment Plan Amendment, the City Council made the findings required by Section 33445 of the Redevelopment Law with respect to Public Improvements.

**Findings Regarding Administrative Expenses for Affordable Housing Activities:** The Redevelopment Agency Board must make a determination that planning and administrative expenses are necessary for the production, improvement, or preservation of low and moderate income housing (affordable housing). The total salaries, benefits, and operating expenditures of the proposed annual operating budget for the Affordable Housing Fund, including administrative support costs, are \$0.95 million, which is approximately 14.6% of the \$6.51 million total proposed expenditures for operations, capital projects and programs. This is a necessary level of planning and administrative expenses to support Redevelopment Agency programs to produce, improve, and preserve affordable housing.

In FY 2010/11, the Agency began implementing a new staff time accounting process, which provides a more accurate allocation of staff expenditures toward Agency-funded projects and programs. As a result, the Agency expects that its overall level of administrative expenses will continue to decrease in proportion to the total capital projects and programs, and will be considerably lower than 14.6%. While it is not a full year's data, to date, this accounting indicates that the majority of staff time paid for out of the Affordable Housing Fund is dedicated to specific projects and programs, and not administrative support.

**ENVIRONMENTAL REVIEW:** None.

**ENCLOSURES:**

- [Draft Resolution](#)
- [Redevelopment Agency Proposed Operating Budget FY 2011/12](#)

**RECOMMENDATIONS:**

1. Hold a public hearing.
2. Adopt a resolution approving the City of Fremont Redevelopment agency's annual operating budget for FY 2011/12, approving appropriations as shown in the Project Appropriations Plan, making necessary findings regarding the Project Appropriations Plan and administrative expenses for affordable housing activities, and approving the Agency's Work Program.

## **5.1 Report Out from Closed Session of Any Final Action**